

## **MINUTES**

### **KANSAS BUSINESS HEALTH POLICY COMMITTEE**

**June 27, 2003  
Kansas Statehouse  
Topeka, Kansas**

#### **MEMBERS PRESENT:**

Bill Riley, Chairman, Manhattan  
State Representative Willa DeCastro, Wichita  
Pat Kaufman, Shawnee Mission  
John Naramore, Lawrence  
Barbara Torkelson, Kansas Insurance Department  
Jennifer Telshaw, Kansas Social and Rehabilitation Services  
State Senator Ruth Teichman, Stafford

#### **MEMBERS ABSENT:**

State Senator Paul Feleciano, Wichita  
Lt. Gov. John Moore, Wichita  
State Representative Sue Storm, Shawnee Mission

#### **OTHERS PRESENT:**

William Kostar, Chairman, Kansas Health Partners Benefit Association  
Kenneth Daniel, KHPBA Member  
Gail Urban, KHPBA Member  
David Hornick, KHPBA Insurance Advisor, Leavenworth  
Dennis Call, Benefit Management, Inc, Great Bend  
Steven Jacques  
Ed Fonner, KU Medical Center  
JoAnn Buntin, Kansas Insurance Department

**Kansas Business Health Policy Committee**  
**June 27, 2003**  
**Morning Session**

The meeting of the Kansas Business Health Policy Committee was called to order by the Chairman, Bill Riley, at 10:30 a.m. in Room 531-N of the Kansas Statehouse, Topeka.

The Chairman welcomed members of the Committee and guests followed by introduction of the Committee and guests. The Chairman gave a brief summary of the responsibilities and goals of the Kansas Business Health Policy Committee. The Committee is charged with developing and approving eligibility and subsidy schedules for low-wage and uninsured small businesses and workers, developing policies for the use of additional funding sources for subsidized coverage including the State Children's Health Insurance Program, reviewing and coordinating with Business Partnership's proposed rating policies as they affect businesses and subsidized workers, and reviewing and approving the Partnership's low cost benefit plans.

Bill Kostar, Chairman of the Board of the Kansas Health Partners Benefit Association, briefed the Committee on the responsibilities and goals of KHPBA, a nonprofit organization created under the Kansas Business Health Partnership Act of 2000. The Kansas Business Health Policy Committee selected the Kansas Health Partners Benefit group as the Kansas business health partnership on March 8, 2002. KHPBA is composed of eight members which includes the Chairman. The Association is charged with operating a purchasing pool that will provide a choice of health plans to small businesses with 50 or less employees. Their goal is to combine several sources of payment to provide affordable health care coverage for low and modest wage small business workers and their families. The payment sources include state and potentially federal tax credits, other direct public subsidies and traditional employer and employee contributions. On September 5, 2002, KHPBA presented a product called Horizons Cost Saver provided by the Allied National Companies, a Kansas City, Missouri insurer.

During Committee discussion it was agreed that a plan needed to be in place before meeting with the congressional delegation from Kansas to seek a pilot program.

Dennis Call, KHPBA insurance advisor and president of Benefit Management, Inc., briefed the Committee on the insurance product developed by the Allied National Companies Insurance program called Horizons Cost Saver. An informative brochure of the health benefits for small groups under the plan and information on sold cases through KHPBA was distributed to the Committee.

David Hornick, member of KHPBA and insurance consultant with Hornick and Associates, noted that KHPBA was looking at ways to provide innovative products and the use of Medicaid dollars that would allow states to conduct research and demonstration projects.

The Committee recessed for lunch.

### **Afternoon Session**

Gail Urban, member of the KHPBA Board of Directors and CFO of Meadowlark Hills Retirement Community, briefed the Committee on the Kansas Health Insurance Premium Payment System (HIPPS). Through a program called HIPPS, Kansas Medicaid can pay employer based group health insurance premiums for Medicaid beneficiaries if paying the insurance premiums costs much less than paying the medical bills directly. Information relating to HIPPS that included a form for eligible employees to fill out was distributed to the Committee for review. Ms. Urban noted there are 600 individual families that have enrolled in the HIPPS program, and that the paper work involved in the enrollment process can be a hassle.

During Committee discussion concern was expressed that the uninsured are not seeking assistance because they do not know the process. A need was seen by the Committee to better educate not only the general public, but insurance representatives that needed a better marketing approach. It was agreed upon that the insurance product needs to be affordable and efficient in order for the product to be beneficial to the uninsured.

Ed Fonner, Director of Outreach, KU School of Medicine, briefed the Committee on the 1115 federal waiver. He noted that more information on the 1115 waiver will be sent to the Committee. The Health Insurance Flexibility and Accountability (HIFA) is a new Medicaid waiver policy that gives states enhanced waiver flexibility to streamline benefits packages, create public-private partnerships, and increase cost-sharing for optional and expansion populations covered under Medicaid and SCHIP. It also allows states to have waivers approved more quickly than was previously possible, provided that applications are submitted within the parameters for HIFA.

The Chairman noted that the Committee needs to focus on further orientation and information before SRS applies for a 1115 waiver. It was suggested that Bob Day, SRS, be a conferee and brief the Committee on the CHIP/Medicaid program and what other states are doing in regard to the uninsured worker. It was also suggested that more information is needed on tax credits for businesses in regard to insurance coverage.

The Chairman announced that the next meeting of the Committee will be held on September 4, 2003, at 10:00 a.m. at the Statehouse. Members will be sent a notice as to what room the meeting will be held.

The meeting was adjourned at 2:45 p.m.